

CITY COUNCIL MINUTES
February 27, 2012

The Honorable Council of the City of Evansville met on regular session at 5:30 p.m. on Monday, February 27, 2012 in the City Council Chambers, Room 301 Civic Center Complex, Evansville, Indiana, with President Connie Robinson presiding. The following business was conducted.

These minutes are not intended to be a verbatim transcript. Audiotapes of this meeting are on file in the City Clerk's Office.

ROLL CALL:

Present: McGinn, Mosby, Brinkerhoff-Riley, Friend, Lindsey, O'Daniel, and Weaver, Robinson.

Absent: Adams

There being eight (8) members present and one (1) member absent and eight (8) members representing a quorum, I hereby declare this session of the Common Council officially open.

PLEDGE OF ALLEGIANCE

This evening the pledge of allegiance will be led by Councilwoman Mosby.

President Robinson: Fellow Councilmen and those in the audience, welcome to the February 27, 2012 meeting of the Common Council.

RECOGNITION OF SCHOOLS

Are there any students in the audience who would like to be recognized?

Ms. Jo Hamm and Students from USI Investigative Reporting Class

President Robinson: Would you please stand? Thank you for joining us tonight.

TEEN ADVISORY COUNCIL

Emily Burkart, Kristen Loehr, Lauren Carcher, Kirwin Mitty, Claire Ehrensbeck, Kaitlyn Kessler, Hugh Ehrensbeck, and Tommy Graber.

COUNCIL ATTORNEY

This evening John Hamilton is City Council Attorney.

SERGEANT AT ARMS

This evening Officers Lenny Reed and Greg Motz is our Sergeant at Arms.

READING AND AMENDMENT OF MINUTES OF PRECEDING MEETING

Is there a motion to approve the minutes of the February 13, 2012 meeting of the Common Council as written?

Councilwoman Mosby moved and Councilwoman Brinkerhoff-Riley seconded the motion that the minutes of the regular meeting of the Common Council held February 13, 2012 be approved as written. Voice vote. So ordered.

REPORTS AND COMMUNICATIONS

IN YOUR FEBRUARY 24th PACKET:

- *City Council Agenda for February 27, 2012 meeting.
- *City Council Meeting Minutes from the February 13, 2012.
- *Committee Meeting Schedule.

Councilwoman Mosby moved and Councilman O'Daniel seconded the motion to receive, file and make these reports and communications a part of the minutes of the meeting. Voice vote. So ordered.

CONSENT AGENDA

FIRST READING OF ORDINANCES OR RESOLUTIONS

Nothing filed for First Reading

CONSENT AGENDA

SECOND READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2012-4 A.S.D. MOSBY

An Ordinance amending Title 5 (business licenses and regulations) and Title 15 (buildings and construction) of the Evansville Municipal code.

COMMITTEE REPORTS:

A.S.D. COMMITTEE:

CHAIRWOMAN MOSBY

Councilwoman Mosby: Mr. President, your A.S.D. Committee met this evening to hear Ordinances G-2012-4 and it comes forward with a do-pass recommendation.

Councilman Friend moved and Councilman Weaver seconded the motion to adopt the Committee Report and move this ordinance to Third Reading. Voice vote. So ordered.

REGULAR AGENDA

THIRD READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2012-4 A.S.D. MOSBY

An Ordinance amending Title 5 (business licenses and regulations) and Title 15 (buildings and construction) of the Evansville Municipal code.

Councilwoman Mosby moved and Councilman O'Daniel seconded the motion to adopt Ordinance G-2012-4 and call the roll.

ROLL CALL

Ayes: McGinn, Mosby, Brinkerhoff-Riley, Friend, Lindsey, O'Daniel, Weaver, Robinson.

Absent: Adams.

There being eight (8) Ayes and zero (0) Nays, Ordinance G-2012-4 is hereby declared adopted.

MISCELLANEOUS BUSINESS

There will not be a City Council Meeting on Monday, March 5, 2012. The next City Council meeting will be Monday, March 12, 2012 at 5:30 p.m.

President Robinson: I am glad to see Bernice Tiernstein in the audience this evening. It is the first one this year and I was getting worried about you. I am glad to see you here tonight.

Bernice Tiernstein: Thank you.

President Robinson: We have Jim Bretz here tonight with electronic gaming.

Jim Bretz: Good evening Council members. Thanks for allowing us to come before you tonight. My name is Jim Bretz and I'm a facility manager at Indiana Downs OTB in Evansville. We appreciate you allowing us to come before you tonight. We are seeking an exemption to the City Smoke ban. At this time I would like to introduce Mr. John Shuster, he is the general manager of Indiana Downs Racetrack in Shelbyville, Indiana to make the presentation. Thank you.

Jon Shuster: Thank you Councilmembers and I appreciate your willingness to hear our plea for reconsideration of this ban as it relates to us and us only. The first thing I would like to say, as it relates to the reason we feel that we are here versus maybe lots of others. We find ourselves to be uniquely positioned on this matter, more uniquely so than Casino Aztar. In our line of work we take bets on horse races. That's what we do. We do have a bar, we do have a restaurant, they comprise less than 2% of the business that we do. We have one competitor in this area, that's Ellis Park. Which is on the Indiana side of the river but it's in Kentucky. I want to give you some facts and figures and explain to you the far reaching ramifications of what we do. Appreciating and understanding that many of these don't necessarily affect the City of Evansville per se but would like you to appreciate the magnitude of what we do and how complex our business is. At our Evansville OTB in 2011, 1 million and 57 thousand dollars was generated that goes to purses to Indiana horsemen and the Horse Racing Industry. Many of these monies also find their ways to breeding farms, into breeding awards programs and so forth. The State of Indiana received 528 thousand dollars of tax money directly from the wagering. That is not sales tax on food and beverage or programs or anything like that. That is directly through wagering. Our employee payroll is about 800 thousand dollars in 2011. Our facility is 18 and over by State Statue so there are no children to whatever degree that would make a difference for you. I want to go back and just sort of reemphasize that we don't really view Casino Aztar as a competitor of ours. There is some crossover, but we are in the Horse Racing business and wagering on horse racing, which Casino Aztar does not. They are gambling and it's a different kind of gambling. It's typically quite a different demographic. We have one competitor and it's Ellis Park. Because of Evansville's very unique geographic situation, we find our lone competitor in this area about 8 minutes away from our facility. So this Ordinance, were it to be left and we are not allowed to have an exemption would give them a significant advantage in the arena of asking customers to give up things in order to do what they want. When they come to our facility, it's typically not for an hour and 15 minute meal and a couple of beers. Typical horse racing fans and wagers are at our place for 5, 6 or 7 hours. That is a normal stint. Not all of them are but that is average. So asking someone to curtail their smoking for an hour or so is not terribly inconvenient, but asking not to do so for 6 hours or so when they can go a few minutes down the road. And when they go, all of the financial pinnacles trail into the State of Kentucky. All of those purse dollars and all of the dollars to the general fund. All of those dollars are now in the State of Kentucky and not the State of Indiana. Again not uniquely Evansville's problem but is a unique problem to Evansville in this situation. Having given you those facts and figures, I guess one other thing I would say; to give you a sense of wagering versus what we do on a food and beverage basis. Wagering in 2011 was a little over 21 million dollars. Food and beverage was about 375 thousand dollars. It is about 1.7% give or take a little. Once again we find ourselves unique and not in the same stance as several that I know have voiced opposition to the

ban. We don't consider ourselves as a private club. We don't consider ourselves as a bar or restaurant. We consider ourselves as an OTB as defined in your Ordinance as a satellite facility which is very unique. Bars and restaurants, there can be five on any one corner in town. There are five OTB's in the State of Indiana. We are very unique. I would be glad to answer any questions at this point in time.

Robinson: I guess the first question I have is that this has been going on for quite some time. It was first filed in January, Aztar gave a presentation. The Smoke Free Community gave a presentation. Then in February we had a public hearing. Where were you guys?

Shuster: Well I am just going to be honest. We dropped the ball, we had some miscommunications within our company. Our facility manager Jim Bretz, a North High and USI graduate, gave us the information and we misinterpreted some of what's going on with the April 1st date. It's my responsibility, I am the general manager and these problems stop at my desk. So I am going to take the responsibility for it. We should have been more on top of it and we weren't. In the past, we knew that there were special definitions for satellite facilities and I guess we'll say that we made the assumption that folks would understand the difference between what we do versus a bar or a restaurant. That may or may not be the case. We dropped the ball and missed the impending date.

Robinson: What are your projected losses? Do you have any projection as to what your lost revenue would be?

Shuster: I don't know. If I were going to guess, and it would be a guess, I would say probably on the order of 20%.

O'Daniel: What would that be based on?

Shuster: That would be based on the demographic of just knowing what we have here in Evansville and other facilities. We cater to a fairly heavy smoking crowd. It is pretty heavy in smokers.

O'Daniel: Do you have any other facilities that have gone non-smoking?

Shuster: Our facility in Shelbyville is non-smoking with the exception of the OTB portion of it. The grandstand and the family side is non-smoking. We have no problem with that, we are in the center of the State. We have one competitor which is about 40 miles away. We have that and embrace that and have no problem with that.

O'Daniel: That is at the racetrack, correct?

Shuster: That is correct. That is at the track.

O'Daniel: It's not an OTB? It's a track?

Shuster: That is correct.

O'Daniel: So, you are just guessing at this? There is no data or anything else to suggest that you'll lose one sole.

Shuster: That is correct.

O'Daniel: Now, the OTB does it have simulcast of Churchill races?

Shuster: We have at times in the year. Until 2010 we were not allowed to have Kentucky signals due to some horse racing regulations and federal interstate horse racing act. There have been times in the year, from October 1st to March 31st, the past two years where we have been able to have Kentucky races and Churchill was a piece of that in their fall meet in November only. We had Turfway in the fall, Keeneland, and Kentucky Downs. That all changed starting January 1st when Ellis Park changed their simulcasting schedule in anticipation of their instant racing games. In anticipation of that law they opened back up year round, because it was their understanding that if the law passed, it would require them to do so. So they did that in advance, it started in January. We have not had Kentucky racing since then. In the month of January we took a 35% hit when we lost those races compared to the last two years.

O'Daniel: Wouldn't that be the biggest threat to your business, not being able to cover Churchill, Keeneland and Turfway? Especially in this market?

Shuster: It's a bigger threat than the no smoking ban, that's true. Currently that threat is already full throttle 100% back on us since January 1st, so we are enduring that, yes.

O'Daniel: You don't have a local tax agreement with the City of Evansville like Casino Aztar does, do you?

Shuster: We do not.

O'Daniel: How many full time employees do you have?

Shuster: We have 9 full time and 48 part time, with part timers averaging between 25-28 hours per week.

O'Daniel: My understanding of horse racing is that you can bet a race every 20 -30 minutes, correct?

Shuster: That would be live, in simulcasting you can actually bet about every 3-4 minutes, sometimes quicker than that.

O'Daniel: You have some experienced people that come in there and bet about every day, correct?

Shuster: Yes.

O'Daniel: So they have access to the daily racing form and often times will know what entries they are going to select before they even get to your facility?

Shuster: Several do, yes.

O'Daniel: So, if they wanted to go outside and smoke ten feet from the doorway, you could accommodate that?

Shuster: Yes we could.

O'Daniel: That's all I have.

Robinson: Any other questions from Council members?

Brinkerhoff-Riley: I have just a couple of questions, good evening. I appreciate you coming down.

Shuster: Thank you for having us.

Brinkerhoff-Riley: When you say that you have nine full time and forty-eight part-time does that make up the \$800,000 in your pay roll last year?

Shuster: Yes that is correct.

Brinkerhoff-Riley: What is the average wage for these forty-eight part time employees?

Shuster: I guess we would probably have to divide the hours out. I can sort of break it down, about half of our payroll is our mutual clerks that punch the tickets at customers' request. Those folks average somewhere in the \$11-\$12.50 dollar an hour range. There is a bit of a range depending on your experience and so forth.

Brinkerhoff-Riley: Do you offer benefits to any of your employees?

Shuster: Yes, full timers have access to benefits.

Brinkerhoff-Riley: The majority of your employees do not?

Shuster: They do not, correct.

Brinkerhoff-Riley: Thank you.

Robinson: Yes, Councilman McGinn.

McGinn: Thank you, Mr. Shuster. There is one OTB agency in the State that is going through bankruptcy reorganization, is that your entity?

Shuster: Yes, that is our company.

McGinn: Are you still under court supervision at the present time?

Shuster: Yes.

McGinn: Have they accepted your plan?

Shuster: I believe there was a meeting today and I'm not up to speed 100%, if we presented a plan or if it was accepted. I know a plan should be forth coming imminently. We started the process on April 7th of last year, so we are getting to that point.

McGinn: If in fact, let's say that you don't get an exemption and you do have a decrease in income, you can redo your plan and that can be taken into consideration and considered by the bankruptcy court, can it not?

Shuster: My understanding of the bankruptcy court is that they can pretty much do anything they want. But I believe what you are saying is accurate.

McGinn: I don't want to get into the particulars, I know the economy is really hurt and I know your upfront licensing fees were pretty enormous. 250 million dollars is my understanding.

Shuster: Plus a couple hundred million to build an unbelievable world class place.

McGinn: Then the bottom falls out of the economy. The effect of a smoking ban in a satellite facility is not really, couldn't be considered the basis for your financial problems, could it?

Shuster: Overall, no. Could it create some other financial issues, it would. To that magnitude? Clearly not.

McGinn: You can check with your attorneys but I think that if you lose income as a result of a change in the law, that should be factored in to how you are governed by the bankruptcy court and how you deal with your creditors. I think you have a fall back safety net that a lot of people don't have which is something.

Shuster: That would be true in that instance and of course we have the revenue stream depletion from this point forward for whoever the owners were.

McGinn: Thanks Mr. Shuster.

Robinson: Any more questions from Council? There is a procedure that you would have to follow since this Ordinance has already been adopted and it would need an amendment. I am going to have John Hamilton, our attorney, explain that procedure.

Hamilton: For members of Council, you have adopted this Ordinance so if anyone wants to introduce an amendment they would have to sponsor and introduce a new Ordinance basically amending the existing Ordinance which you have adopted. It would go through all three hearings and meetings just like any other new Ordinance. That is the procedure.

Robinson: So you would have to have a Council member sponsor an amendment to the Ordinance that's already been adopted and then you would have to have the majority of the votes for the exemption. Do you have any other questions?

Shuster: I do not, thank you Council members.

Robinson: We appreciate you coming and you have our numbers and you may call and see if you can find a sponsor.

Shuster: I will do that, thank you again.

Robinson: Next we have Bernard Peter.

Bernard Peter: Thank you for having me, it has been forty two years since I've been in this Chambers to address the City Council. I'll make this really short. I go back to the days of Frank McDonald, Howard Trockman, Russell Lloyd, and Bill Brooks. They were all good friends of mine. The reason that I am here is to extend my thanks to all of you for your support of Casino Aztar in this hard economic time. I do a lot of traveling and talk to a lot of people in Illinois, Indiana and Kentucky. I think this is the right decision. I am a non-smoker. About 48 hours after that decision was made, Springleaf made the announcement that over 200 were being laid off of work. I want to commend you and thank you for your support of the Casino Aztar. I am not a smoker. Thank you folks.

Robinson: Any questions? Thank you for coming tonight.

Peter: Thank you.

Robinson: Mr. Randy Jones.

Jones: I think you heard from me last week on this. I'm still a little passionate about this. I'm Randy Jones and I have lived in Evansville all my life, 58 years. At 18 years old you are allowed to buy cigarettes in the city. At 18 years old you are allowed to be drafted and die for our country. Last week you passed an Ordinance that I could not believe. Has anyone ever done a survey on how much money comes in from the bars and the food industry? How many millions are brought in from that? But this Council last week passed an Ordinance that took away the smoking rights from everyone but one person. I can only go to one place to buy a beer, eat a sandwich and smoke a cigarette at one location in this town. I believe you are right. I believe Aztar should be exempt. I think anyone over the age of 21 that deals with a bar and anyone that has the right to own a bar should be able to go in, smoke a cigarette, drink or whatever. Because they cater to people over 21. A lot of them are Veterans like me. They are private clubs. But what bothers me most is how can you sit here and listen to all of these surveys and all of these things that say smoking is so bad for you and so awful. But for the all mighty dollar we will make an exemption. You can't do that. They didn't vote you in, I did. This town was voted in by us. I can guarantee these bars make money. They pay that 1% tax. These businesses pay that 1 % tax. If you don't want smoking, pass an Ordinance. We don't want smoke in the City of Evansville, which is a powerful message to make. Again, my mother was diagnosed with lung cancer in September and died in December. I have been there and done that. But even that doesn't persuade me. If you are going to have children there then yes I agree protect the children. If you are 18 years old and you can die for this country, and you have a bar that caters to over 21, then you have no right to tell that person they can't patronize it. At the same time take all of your rights away and give it to just one person. Only one person can have a cigarette, drink beer and eat a sandwich. That is so wrong. I am so passionate that I just bought internet sights. One is called evansvillepolitics.com and one is evansvillegovernment.com and I will be building those sights soon.

Robinson: Thank you Mr. Jones we appreciate you coming. Anyone else with comments? Committee reports please.

COMMITTEE REPORTS:

ASD COMMITTEE:

Nothing scheduled at this time.

CHAIRWOMAN MOSBY

PUBLIC WORKS COMMITTEE:

Nothing scheduled at this time.

CHAIRMAN McGINN

FINANCE COMMITTEE:

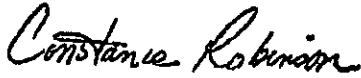
Nothing scheduled at this time.

CHAIRMAN FRIEND

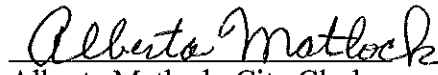
ADJOURNMENT

Councilwoman Brinkerhoff-Riley moved and Councilwoman Mosby seconded the motion to adjourn. Voice Vote. So Ordered.

Meeting adjourned at 5:55 p.m.



President



Alberta Matlock, City Clerk

ROLL CALL

PLEDGE OF ALLEGIANCE

RECOGNITION OF SCHOOLS

TEEN ADVISORY COUNCIL

READING AND AMENDMENT OF MINUTES

REPORTS AND COMMUNICATIONS

CONSENT AGENDA

FIRST READING OF ORDINANCES OR RESOLUTIONS

Nothing filed for First Reading.

CONSENT AGENDA

SECOND READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2012-4 A.S.D. MOSBY

An Ordinance amending Title 5 (business licenses and regulations) and Title 15 (buildings and construction) of the Evansville Municipal code.

REGULAR AGENDA

THIRD READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2012-4 A.S.D. MOSBY

An Ordinance amending Title 5 (business licenses and regulations) and Title 15 (buildings and construction) of the Evansville Municipal code.

MISCELLANEOUS BUSINESS

There will not be a City Council Meeting on Monday, March 5, 2012. The next City Council meeting will be Monday, March 12, 2012 at 5:30 p.m. Committee Meetings will begin at 5:20 p.m. on March 12, 2012.

Jim Bretz: Electronic Gaming

ADJOURNMENT

CITY COUNCIL COMMITTEE MEETING SCHEDULE

February 27, 2012

A.S.D. COMMITTEE:

Re: Ordinance G-2012-4

Date: February 27, 2012

Time: 5:20 p.m.

Notify: Ben Miller/Ted Ziemer

CHAIRWOMAN MOSBY

An ordinance amending Title 5

(Business licenses and regulations)

and Title 15

(buildings and construction)

The Honorable Council of the City of Evansville is hereby called to order. Madam Clerk, please call the roll.

ROLL CALL

<input checked="" type="checkbox"/> M ^c GINN	<input checked="" type="checkbox"/> FRIEND	<input checked="" type="checkbox"/> O'DANIEL
<input checked="" type="checkbox"/> MOSBY	<input checked="" type="checkbox"/> LINDSEY	<input checked="" type="checkbox"/> WEAVER
<input checked="" type="checkbox"/> BRINKERHOFF-RILEY	<input checked="" type="checkbox"/> ADAMS	<input checked="" type="checkbox"/> ROBINSON

There being 8 members present, 1 members absent, and 8 members representing a quorum, I hereby declare this session of Common Council officially opened.

PLEDGE OF ALLEGIANCE

This evening the pledge of allegiance will be led by Mosby.

Fellow Councilmen and those in the audience, welcome to the February 27, 2012 meeting of the Common Council.

RECOGNITION OF SCHOOLS

Are there any students in the audience who would like to be recognized?

Ms. Jo Hamm and Students from USI Investigative Reporting Class

SCHOOL: _____
NAME: _____

SCHOOL: _____
NAME: _____

TEEN ADVISORY COUNCIL

Emily Buckard (mem.) Riwin Mitty Rietz
Christa Loecher Claire Earnsb.
Lauren Carher - WD Kaitlen Kester
Mugh Speck
Tommy Graber

COUNCIL ATTORNEY

This evening John Hamilton is City Council Attorney.

SERGEANT AT ARMS

This evening Officer Lenny Reed Greg Motz is our Sergeant at Arms.

READING AND AMENDMENT OF MINUTES OF PRECEDING MEETING

Is there a motion to approve the minutes of the February 13, 2012 meeting of the Common Council as written?

Councilman Mosby moved and Councilman Wiley seconded the motion that the minutes of the regular meeting of the Common Council held February 13, 2012 be approved as written. Voice vote. So ordered.

REPORTS AND COMMUNICATIONS
IN YOUR FEBRUARY 24th PACKET:

- *City Council Agenda for February 27, 2012 meeting.
- *City Council Meeting Minutes from the February 13, 2012.
- *Committee Meeting Schedule.

ON YOUR DESK THIS EVENING:

Councilman Mosby moved and Councilman O'Daniel
seconded the motion to receive, file and make these reports and communications a part of
the minutes of the meeting. Voice vote. ✓ So ordered. ✓

CONSENT AGENDA

FIRST READING OF ORDINANCES OR RESOLUTIONS

Nothing filed for First Reading.

CONSENT AGENDA

SECOND READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2012-4

A.S.D.

MOSBY

An Ordinance amending Title 5 (business licenses and regulations) and Title 15 (buildings and construction) of the Evansville Municipal code.

COMMITTEE REPORTS:

A.S.D. COMMITTEE:

CHAIRWOMAN MOSBY

Councilwoman Mosby: Mr. President, your A.S.D. Committee met this evening to hear Ordinances G-2012-4 and it comes forward with a (do-pass/do not pass) recommendation.

Mosby

Councilman Friend moved and Councilman Weaver seconded the motion to adopt the Committee Reports and move these ordinances to Third Reading.

Voice vote. ✓ So ordered. ✓

REGULAR AGENDA

THIRD READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2012-4

A.S.D.

MOSBY

An Ordinance amending Title 5 (business licenses and regulations) and Title 15 (buildings and construction) of the Evansville Municipal code.

Is there a motion to adopt Ordinance G-2012-4 and call the roll?

Councilman Mosby moved and Councilman O'Daniel seconded the motion to adopt Ordinance G-2012-4 and call the roll.

ROLL CALL

✓ M^cGINN

✓ FRIEND

✓ O'DANIEL

✓ MOSBY

✓ LINDSEY

✓ WEAVER

✓ BRINKERHOFF-RILEY

X ADAMS

✓ ROBINSON

There being 8 Ayes and 1 Nays, Ordinance G-2012-4 is hereby declared
ADOPTED ~~DENIED~~.

MISCELLANEOUS BUSINESS

There will not be a City Council Meeting on Monday, March 5, 2012. The next City Council meeting will be Monday, March 12, 2012 at 5:30 p.m.

Jim Bretz: Electronic Gaming

Jim Bretz	O'Daniel	Robinson	Shuster
John Shuster	Shuster	Brinkenhoff-Riley	McGinn
Robinson	O'Daniel	Shuster	Shuster
Shuster	Shuster	B. R.	Robinson
Robinson	O'Daniel	Shuster	Hamilton
O'Daniel	Shuster	B. R.	Robinson
Shuster	O'Daniel	Shuster	Shuster
O'Daniel	Shuster	B. R.	Bernard Peter
Shuster	O'Daniel	McGinn	Robinson
O'Daniel	Shuster	Shuster	Randy Jones
Shuster	O'Daniel	McGinn	Robinson
O'Daniel	Shuster	Shuster	
Shuster	O'Daniel	McGinn	

COMMITTEE REPORTS:

ASD COMMITTEE:

Nothing scheduled at this time.

CHAIRWOMAN MOSBY

PUBLIC WORKS COMMITTEE:

Nothing scheduled at this time.

CHAIRMAN MCGINN

FINANCE COMMITTEE:

Nothing scheduled at this time.

CHAIRMAN FRIEND

ADJOURNMENT

Councilman Mosby moved and Councilman Riley

seconded the motion to adjourn. Voice Vote. ☒ So Ordered. ☒

Meeting adjourned at 5:55 p.m.



DEPARTMENT OF METROPOLITAN DEVELOPMENT

LLOYD WINNECKE
MAYOR

One N.W. Martin Luther King, Jr. Blvd.
306 Civic Center Complex Evansville, IN 47708
(812) 436-7823 TDD: (812) 436-4928 Fax: (812) 436-7809

PHILIP HOOPER
EXECUTIVE DIRECTOR

Memorandum

TO: Connie Robinson, Council President, DMD Council Liaison

CC: Mayor Lloyd Winnecke, City Council, Citizen Advisory Committee

FROM: Philip R. Hooper, Executive Director *PRH*

DATE: February 27, 2012

RE: Changes to HOME Program

The Federal Government through the Department of Housing and Urban Development (HUD) is requiring that the City change the process for fund disbursement for the HOME Program and the 2012 HOME funding that was appropriated in 2011 for the 2012 year. The City is also receiving less 2012 HOME funding than was previously anticipated. This requires a reduction in appropriation for 2012 HOME funding in a way that will affect all organizations that were to receive HOME funds this year.

To appropriately and legally adjust our appropriations, HUD will need new information from HOME recipient organizations to demonstrate financial strength and development capacity. This may include but not be limited to resumes of staff and financial statements so that DMD and the CAC can more effectively consider the organization's ability to execute the goals of the program.

The immediate plan is as follows:

1. DMD staff are preparing for a meeting with the Community Housing Development Organizations (CHDOs) that will be affected by this.
2. After the meeting, each organization's DMD Community Development Specialist will follow up with a binder that leads the organizations through the specific changes to their appropriations and formally requests the needed additional information from the CHDOs.
3. Re-evaluate 2012 Home funding recommendations.
4. Re-appropriate 2012 HOME funding as needed.



There are further changes to HUD's regulations that are in process, and DMD anticipates the necessity for a new application process to ensure HUD compliance and maximize the leverage of our HUD dollars. As we develop the 2013 HUD funding application, we will keep both the Council and the Citizens Advisory Committee updated.



The impact of a local smoke-free air law on wagering at an off-track betting facility in Indiana

Jonathan T Macy,¹ Erika L Hernandez²

¹Department of Applied Health Science, Indiana University, Bloomington, Indiana, USA
²Department of Statistics, Indiana University, Bloomington, Indiana, USA

Correspondence to
Jonathan T Macy, Department of Applied Health Science, School of Health, Physical Education and Recreation, Indiana University, 1025 East 7th Street, HPER 116, Bloomington, IN 47405, USA; jtmacy@indiana.edu

Received 17 November 2010
Accepted 22 February 2011

ABSTRACT

Objective This study measured the impact of a local smoke-free air law on wagering at an off-track betting (OTB) facility in Indiana.

Methods Regression analysis was used to compare the trend in per capita amount wagered at an OTB location that went smoke-free to the trend in per capita amount wagered at two comparison OTB locations that continued to permit smoking. Unemployment rate was included as a covariate.

Results During the study period, there was a decreasing trend in the per capita amount wagered at each of the three OTB locations. There was no significant change in the trend for the location that went smoke free or for the locations where smoking has continued.

Conclusions There is no economic reason to exclude OTB facilities from smoke-free legislation.

facility in Fort Wayne. The trend in per capita handle for Fort Wayne was compared to the trend in per capita handle for the Indianapolis and Merrillville locations. Monthly handle from 2002 to 2009 was obtained from the Indiana Horse Racing Commission for the three wagering locations. To compute per capita handle, annual population estimates for 2002–2009 for the counties where the wagering facilities are located were obtained from the US Census Bureau. As estimates of economic activity, the monthly unemployment rates for the counties where the wagering facilities are located were obtained from the US Bureau of Labor Statistics through a cooperative program with the Indiana Department of Workforce Development. In addition, annual total taxable sales for 2002–2008 for each county were obtained from the Indiana Department of Revenue.

The effect of the law was tested on seasonally adjusted (Census Method 1) per capita monthly handle. The initial regression model allowed each OTB location to have its own slope and intercept over time and included unemployment rates and total taxable sales as covariates modelled jointly over the three cities. A Durbin–Watson (DW) test performed on the ordinary least squares residuals of the full model indicated the presence of lag 1 autocorrelation (DW=1.363; permutation $p<0.0001$). Thus, the remaining analyses were performed using longitudinal models with an AR1 correlation structure.

Preliminary analyses were conducted on annual total taxable sales and monthly unemployment rate, the two covariates that were considered as potential estimates of economic activity. Because 2009 total taxable sales data were unavailable, models were first estimated including data only through 2008. A χ^2 likelihood ratio test indicated that inclusion of total taxable sales did not improve the overall model ($\chi^2=3.06$; $p=0.08$). Therefore, total taxable sales was dropped as a covariate in further analyses. This allowed for use of the full 2002–2009 data in the remaining analyses. Inclusion of unemployment rate did significantly improve the model ($\chi^2=5.39$; $p=0.02$) and was therefore retained as a covariate.

To determine if the trends for each location were consistent over time, a change in slope and a shift for each OTB location after 1 June 2007 were added to the model. Then, χ^2 likelihood ratio tests were used to determine if the shifts or slope changes could be dropped without significantly affecting the model fit. Results showed that shifts did not significantly improve the model ($\chi^2=1.44$; $p=0.70$), slope changes did not significantly improve the model ($\chi^2=4.48$; $p=0.21$), and the combined effect

INTRODUCTION

Many studies have shown that smoke-free air laws do not negatively impact business activity.^{1–7} However, the research on smoke-free air laws and gaming revenues is less extensive and has produced mixed findings. One study found that Delaware's statewide smoke-free air law had no effect on gaming revenues,⁸ but a separate analysis of the same data but with different model specifications found a significant decrease in revenue.⁹ A study of the effect of smoke-free policies on electronic gaming machine expenditures in Australia found a significant decrease in monthly expenditures.¹⁰ In terms of charitable gaming, Glantz and Wilson-Loots¹¹ reported that local smoke-free air ordinances in Massachusetts had no effect on bingo revenues. In the public policy arena, opponents of smoke-free workplace laws continue to argue that they negatively impact gaming revenues.

On 1 June 2007, the city of Fort Wayne, Indiana implemented a law prohibiting smoking in all workplaces, including bars and gaming venues. The objective of this study was to test the effect of the law on the amount of money wagered at an off-track betting (OTB) facility in Fort Wayne. Two additional OTB sites are located in Indianapolis, Indiana and Merrillville, Indiana. Smoking is permitted in these locations. Therefore, the trend in the amount wagered at the Fort Wayne location was compared to the trend in the amount wagered at each of the other two locations.

METHODS

A longitudinal model was used to test the effect of the smoke-free air law on per capita handle (ie, the total amount of money wagered) at the OTB

of shifts and slope changes did not significantly improve the model ($\chi^2=7.64$; $p=0.27$). Therefore, the shifts and slope changes were dropped. The final model was coded with the Fort Wayne (smoke-free) location as the reference:

$$\text{OTB}_{i,t} = \beta_0 + \beta_1 \text{Unemployment}_{i,t} + \beta_2 \text{Merrillville} + \beta_3 \text{Indianapolis} + \beta_4 \text{Time} + \beta_5 \text{Merrillville} \times \text{Time} + \beta_6 \text{Indianapolis} \times \text{Time} + e_{i,t}$$

An overall likelihood ratio test for all fixed effects indicated that the final model significantly explained changes seen in per capita handle ($\chi^2=712.03$; $p<0.0001$).

RESULTS

All three locations demonstrated a decrease in per capita handle over the study period. For the Fort Wayne location, there was a 27.24% decrease in average monthly per capita handle from \$3.61 before 1 June 2007 to \$2.63 after 1 June 2007. For the Merrillville location, there was a 24.27% decrease from \$5.04 to \$3.82. For the Indianapolis location, there was a 30.88% decrease from \$5.04 to \$3.49. Figure 1 displays the decrease in fitted monthly per capita handle at the three gaming facilities from 2002 to 2009.

The fixed effects estimates from the final model are shown in table 1. First, unemployment rate was a significant predictor of per capita handle. As the unemployment rate increased over the study period, per capita handle decreased. In terms of the trends in per capita handle, the Fort Wayne location, as the reference, demonstrated a significant negative trend from 2002 to 2009. For the comparison locations, the negative trend in per capita handle for the Merrillville facility was not significantly different from Fort Wayne from 2002 to 2009. However, the trend for the Indianapolis location was significantly more negative as compared to Fort Wayne across the entire study period. As noted previously, there were no significant changes in the trends for any of the three locations after 1 June 2007, when the Fort Wayne location went smoke free.

DISCUSSION

Although several studies have tested the economic impact of smoke-free air laws, the current study adds to the less conclusive

Table 1 Final model fixed effects results for per capita handle by off-track betting (OTB) location, Indiana, USA, 2002–2009

	Estimate	SE	t Value	p Value
β_0 (Intercept)	4.671	0.117	40.011	<0.0001
β_1 Unemployment _{i,t}	-0.102	0.018	-5.721	<0.0001
β_2 Merrillville	1.626	0.132	12.323	<0.0001
β_3 Indianapolis	1.891	0.130	14.578	<0.0001
β_4 Time	-0.016	0.002	-9.102	<0.0001
β_5 Merrillville \times time	-0.004	0.002	-1.840	0.067
β_6 Indianapolis \times time	-0.014	0.002	-5.881	<0.0001

The Fort Wayne (smoke-free) location was the reference value. SE, standard error.

literature on the impact on the gaming industry. This study provides additional evidence that smoke-free air laws do not negatively impact gaming activities. Specifically, there was no change in the trend in per capita amount wagered at the Fort Wayne OTB location after the city of Fort Wayne implemented a smoke-free air law. The Fort Wayne location and two comparison locations in Indianapolis and Merrillville all experienced a decreasing trend in per capita amount wagered from 2002 to 2009. This study found no evidence that the trend for the Fort Wayne location became more negative after becoming a smoke-free venue, as opponents of smoke-free air legislation would predict.

The findings from this study suggest that there is no economic reason for policymakers to exclude OTB facilities from smoke-free legislation. Given the well established negative health consequences of secondhand smoke exposure,¹² strong policies should be enacted to protect workers and patrons at gaming facilities from exposure to secondhand smoke. These strong public health policies can be implemented without fear of negative economic consequences.

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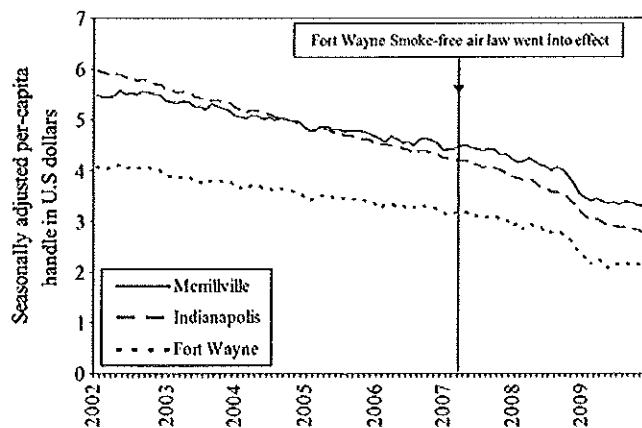


Figure 1 Seasonally adjusted per capita handle at three off-track betting (OTB) locations in Indiana, USA, 2002–2009. The Fort Wayne location went smoke-free on 1 June 2007.